United Nations A/C.5/67/SR.26

General Assembly
Sixty-seventh session

Official Records

Distr.: General
15 May 2013

Original: English

Fifth Committee

Summary record of the 26th meeting
Held at Headquarters, New York, on Friday, 15 March 2013, at 10 a.m.

Chair: Mr. Berger ..... (Germany)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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13-26023 (E)

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The meeting was called to order at 10.10 a.m.

Statement by the Chair

1. **The Chair** said that the public perception of the work of the Fifth Committee did not reflect the level of professionalism and dedication demonstrated by its members. As the Main Committee of the General Assembly dealing with all budgetary and administrative matters, the Fifth Committee bore considerable responsibility and its members worked extremely hard during long hours of negotiation in order to achieve the consensus outcomes required for the good functioning of the Organization.

Agenda item 130: Programme budget for the biennium 2012-2013 (*continued*)

Revised estimates for remediation work in the aftermath of storm Sandy (A/67/748 and A/67/789)

2. **Mr. Takasu** (Under-Secretary-General for Management), introducing the Secretary-General's report on revised estimates relating to section 34 of the programme budget for the biennium 2012-2013 for remediation work in the aftermath of storm Sandy (A/67/748), said that the Organization's core infrastructure had remained intact but the storm had caused significant flooding damage to plant and equipment on the basement levels of the Headquarters premises. Fortunately, the Organization had robust coverage under two complementary insurance policies: its builders' risk insurance and its global property insurance, which provided coverage of $100 million and $50 million, respectively. An estimated $154.9 million would be needed for the proposed remediation work and mitigation measures, including $6 million for mitigation measures not covered by insurance and a further $11 million for essential content and equipment which exceeded the insurance coverage and might be requested at a later date. An estimated $137.9 million would be recovered under the two insurance policies. However, the protracted claims process meant that, while expenditure for remediation work would be incurred predominantly in 2013, most recoveries under the insurance policies would be received in the biennium 2014-2015. Proposals had therefore been submitted to seek commitment authority and meet cash flow challenges pending completion of recoveries from the insurers.

3. On mitigation, the after-action review led by the Chef de Cabinet had recommended reducing the vulnerability of Headquarters to future flooding events, including by relocating and waterproofing electrical rooms and relocating automatic fire pumps. Although the recommended enhancement measures were not covered under the insurance policies, it would be prudent to carry out that work immediately, not least because the level of available insurance coverage for flood damage in the New York area had fallen significantly as a result of the storm and the global property insurance policy had been renewed in 2013 with reduced coverage of only $20 million after the deductible, compared with the previous coverage of $50 million. As a result, the United Nations would bear the risk of significant financial exposure if it did not take protective measures promptly.

4. The General Assembly was therefore requested to approve the estimated amount of $6 million under section 34, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2012-2013 and to authorize the Secretary-General to enter into commitments of up to $131.4 million, taking into account a $50-million advance already received from the insurance companies. It was also requested to authorize the Secretary-General to use the Working Capital Fund to cover the payments on a cash flow basis; to note that a further $11.1 million might be required in addition to the resources currently requested; and to approve the establishment of a multi-year special account for insurance recovery and expenditures relating to damage from storm Sandy.

5. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/789), said that the Advisory Committee agreed with the Secretary-General's proposed approach to funding the remediation work and recommended that he should be authorized to enter into commitments of up to $146.4 million in the current biennium and to use the Working Capital Fund as a cash flow bridging mechanism pending receipt of insurance settlements. It also had no objection to the establishment of a multi-year special account but recommended that its term should be limited to 31 December 2015. It would be prudent to implement the mitigation measures described in the Secretary-General's report and the Advisory Committee therefore recommended that the

Assembly should approve the $6.1 million requested under section 34 of the programme budget for the biennium 2012-2013, but encouraged the Secretary-General to make every effort to absorb the additional requirements through further efficiencies and savings.

6. On future insurance coverage, while the Organization would face constraints in securing insurance against flood damage, the Advisory Committee recommended that the Assembly should request the Secretary-General to monitor the insurance market with a view to purchasing additional coverage if it should become available at a reasonable cost. More generally, it stressed the importance of adequately insuring all United Nations premises against all types of risk.

7. **Ms. Malcorra** (Chef de Cabinet, Executive Office of the Secretary-General) said that an after-action review on storm Sandy had been completed in December 2012. The purpose of the review, which she had led, had been to assess how the Organization had responded to the crisis and make recommendations on how to manage future crises more effectively. It had focused on five areas: crisis management; information and communications technology; physical infrastructure; communication; and support for staff. On governance and crisis management, the review had indicated that preparation for the storm had been good, proper procedure had been followed, links had been established with the New York emergency services and the United States Federal Emergency Management Agency, and the Crisis Operation Group had been activated and regular updates provided. The Security Council had begun functioning within 48 hours after the storm and other bodies had begun meeting a day later. Nonetheless, senior leadership and members of the Senior Emergency Policy Team needed to be more aware of their roles in the event of a crisis. While the lack of awareness had been partly due to the fact that a number of senior managers were new to their roles, ongoing training was needed, including regular drills. There should also be more periodic testing and regular updating of the integrated emergency management framework. Furthermore, the Secretariat needed to take better account of the capacity of other United Nations agencies available in New York in the event of a crisis. Consequently, the Senior Emergency Policy Team assessment should include a review of contingency planning for major events.

8. The storm had highlighted the Organization's dependence on technology, as the failure of some systems to communicate with their backups had hampered the implementation of emergency procedures. While no data had been lost, some systems had gone offline, highlighting the need for automatic backup. Department heads must identify critical systems that required immediate backup and ensure that they were expressly mentioned in service level agreements. Plans were needed to ensure that users received regular information on system availability. The Office of Information and Communications Technology had set up an internal task force to discuss business continuity and disaster recovery plans for the Organization's data centres, with a view to eliminating some of the problems encountered during the storm in the event of another crisis.

9. Communication and coordination had been inadequate during the storm and it was clear that a single platform was required for seamless communication with United Nations staff and Member States. To that end, a task force had been established to set up new communication mechanisms and protocols, and work was under way to create a single communications site for emergencies, which would be backed up in Geneva in order to provide other ways to access the United Nations website if the system failed in New York. In terms of support for staff, the Organization had learned that its capacity to contact staff quickly and efficiently had been insufficient. A review of emergency communications with staff was under way, and other United Nations offices were undertaking similar efforts to ensure that they were able to use Headquarters systems as a backup. Lastly, in terms of the storm's impact on physical infrastructure, an assessment should be carried out to determine what upgrades were necessary, especially mitigation measures for areas prone to fire and flooding.

10. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, said that, while the initial assessment presented to the Assembly in November 2012 had suggested that the damage caused by storm Sandy had been contained by precautionary measures, the new report presented a different picture; the Group was particularly concerned by the damage to plant and equipment. The after-action review and lessons learned exercise were good steps to prevent future damage

from natural disasters, and the resulting recommendations merited thorough consideration.

11. Noting that the Group would like to have further information on the adequacy of insurance coverage for all United Nations premises, he said that mitigation measures should be taken at Headquarters to address vulnerability to flooding in order to avoid the risk of uninsured financial exposure, and solutions should be explored to have the Organization insured against future eventualities.

12. The Group would examine the proposal on alternative cash flow bridging mechanisms as an interim arrangement to continue remediation work pending the receipt of insurance payments. Notwithstanding the outcome of the Committee's deliberations, the Secretary-General should monitor the Organization's cash position to ensure that the smooth functioning of operations was not put at risk. With respect to the proposal to establish a special account for insurance recovery and remediation expenditures, it was the Group's view that emergency and mitigation measures should be addressed appropriately in a sustainable manner. He welcomed the delineation of responsibilities for actions that would address the shortcomings in safety, security and communication; the accurate assessment of damage; and the implementation of prevention, mitigation and recovery measures.

13. Communication with Member States in the aftermath of the storm had been dismal. Despite the Organization's investments in information and communications technology, the system had not functioned effectively and internal coordination in the Secretariat had been coupled with technical failures of the backup mechanism. The Secretary-General should take corrective action to prevent a recurrence in future emergencies. Action should also be taken, in conjunction with the organizational resilience management system currently under discussion, to ensure effective communication with the staff and permanent missions in emergency situations.

14. **Mr. Presutti** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Montenegro, Serbia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia and the Republic of Moldova, said that the European Union was grateful for the efforts deployed by United Nations staff to safeguard the integrity of the Headquarters complex during storm Sandy. He concurred with the Advisory Committee that efforts should be made to absorb the estimated requirements of $11 million for repairs not covered by insurance and $6 million for mitigation measures by seeking further efficiencies and savings. The European Union would closely scrutinize both of those estimates. With respect to the cash flow requirements for the repair work, the Secretariat should negotiate with the insurers to ensure the best possible payout and higher interim settlements. He looked forward to receiving more information on the efforts to secure additional insurance coverage beyond the current ceiling and endorsed the Advisory Committee's recommendation that the Secretary-General should monitor the insurance market with a view to ensuring that the Organization was adequately insured against all risks at a reasonable cost.

15. **Mr. León González** (Cuba) said that the Organization had not been prepared to deal with a natural disaster on the scale of storm Sandy and that preventive measures were essential, especially given that similar emergencies were likely to reoccur as a result of climate change.

16. Concerning the Committee's working methods and conduct, the comments made by the Chair about the level of professionalism and dedication demonstrated by all members reflected the feelings of many delegations.

17. **Mr. Benmehidi** (Algeria) said that the Committee must avoid micromanaging United Nations insurance coverage. The focus should be on anticipating insurance needs and strengthening the Organization in ways that would enable it to sustain operations and rebuild facilities in the event of disaster.

18. **Ms. Malcorra** (Chef de Cabinet, Executive Office of the Secretary-General) said that the storm had brought home the significance of climate change and the importance of preparedness and mitigation measures, especially given that insurance coverage for related risks was likely to be lower in the future. Investments must be made to implement those measures.

Expanded feasibility study on the United Nations Headquarters accommodation needs 2014-2034 (A/67/720 and A/67/788)

19. **Mr. Takasu** (Under-Secretary-General for Management), accompanying his statement with a digital slide presentation, introduced the Secretary-General's report on the expanded feasibility study on the United Nations Headquarters accommodation needs 2014-2034 (A/67/720). He said that, whereas the original feasibility study (A/66/349) had included two scenarios for future staff population projecting no growth and 1.1 per cent average annual growth, respectively, the expanded study included a third scenario that projected a decline of 0.5 per cent, taking into account anticipated changes in work practices and the potential movement of some operations. The baseline for space allocation had been reduced from 250 to 200 gross square feet per workspace, taking into account the baseline of 220 gross square feet used for the capital master plan and alternative workspace strategies such as desk-sharing, hot-desking and hotelling.

20. The needs of the funds and programmes had been included in the expanded study and the steering committee on long-term accommodation needs, which he chaired, included representatives from the United Nations Development Programme and the United Nations Population Fund. The study covered a total of 10,841 staff, 2,320 of whom were from funds and programmes. Of that total, 5,938 — including the entire staff of the funds and programmes — occupied leased space. With the projected numbers of staff under the three scenarios, there would be a need to accommodate 4,887 (0.5 per cent decrease), 5,938 (no growth) or 8,678 (1.1 per cent growth) staff members outside of United Nations-owned property, with a projected additional space requirement in 2034 of between 1.28 million and 2.0 million gross square feet.

21. Four options had been considered to meet the space requirements. Options 1 and 2 proposed the construction of a high-rise building on the North Lawn, combined with leasing of space outside the United Nations compound. Option 1, with a construction cost of $1.046 billion, would be funded by a special assessment; under option 2, the construction cost of $1.278 billion would be financed by a third party. Option 3 proposed the construction of the United Nations Consolidation Building (DC-5) by the United Nations Development Corporation at a cost of approximately $1.362 billion. In fact, in 2002 the Assembly had authorized the Secretary-General to complete negotiations with the Development Corporation on that project, but the New York State Legislature had not approved it. The Development Corporation proposed to finance construction by issuing public bonds to be redeemed through United Nations rent payments over 30 to 35 years. The building would be connected to the current campus by a pedestrian tunnel.

22. In option 4, off-campus accommodation needs would be met through commercial leasing. All four options factored in the continued leasing of the DC-1 and DC-2 buildings for purposes of comparison. The current leases would expire in 2018 and the Organization had the option to extend them to 2023. After that date, under New York State law, the Development Corporation had the option to sell or refinance the property. The availability of those buildings was thus uncertain and the rent would rise to commercial rates. Subject to a satisfactory agreement on DC-5, the Development Corporation proposed to extend the leases beyond 2023. Considering the need for flexibility in rental space, it proposed the option of a "give back" scheme that would allow the United Nations to reduce its total rental space. Future terms of the lease were subject to negotiation with the Development Corporation.

23. The comparative analysis of the four options showed that options 1, 2 and 3 would enhance efficiency and security and achieve a campus effect; option 4 would not, as it would leave staff scattered in dozens of places. Option 2, which involved third-party financing of construction on the North Lawn, was unlikely to be feasible owing to legal and commercial constraints on secured mortgage loans under the General Convention on the Privileges and Immunities of the United Nations and the host country agreement. Alternatively, with the Assembly's approval, the Organization could seek unsecured loan guarantees from Member States or issue bonds to them. He recalled, however, that the Assembly had decided against the issuance of United Nations bonds to finance the capital master plan. Option 4 would be financially unfavourable to the United Nations in the long term, as it would expose the Organization to a volatile rental market after 2023.

24. Option 1 would be more financially advantageous than option 3, since construction of a building on

United Nations land would entail no land cost, whereas option 3 — the DC-5 proposal — would include the financing cost for public bonds and the cost for land, albeit on favourable terms. Option 1 would require an upfront capital outlay of some $1 billion to be funded through a special assessment on Member States, and would thus contradict the Assembly's guidance that major capital expenditure projects should not be implemented simultaneously. Moreover, design of the building on the North Lawn was only at a preliminary conceptual stage and that option would entail the risks of cost escalation and possible non-approval by the host country authorities. Indeed, the Secretariat had received communications from the neighbours expressing opposition to the construction of a new building on the North Lawn. The design of DC-5 was far more advanced and the building, which would require no upfront capital investment by the United Nations, would be ready for occupancy in mid-2017. Under the proposed lease-to-own arrangement, the Organization would begin paying rent in 2017 and would own the building after 30 to 35 years.

25. The Secretary-General had concluded that option 3 would best meet the long-term accommodation needs at Headquarters. Urgent action was required, because the New York State legislation pertaining to the DC-5 building would expire in 2015. Consequently, all necessary steps for construction of the building, including negotiation and signing of the lease and the issuance of bonds, would have to be completed in 2013 and 2014, and host city legal procedures and transfer of title to the land would have to be completed by December 2015. It would be necessary to act expeditiously in order to take advantage of the opportunity.

26. A two-stage approach to the matter was proposed. First, the Assembly was requested to authorize the Secretary-General to enter into negotiations with the United Nations Development Corporation on the terms of the lease for DC-5 and the continued leasing of DC-1 and DC-2, without making a commitment to the DC-5 project. By October 2013, the Secretariat would reach the best possible proposed lease terms, without exact rental conditions or a formal commitment. Once final costing data for the issuance of public bonds became available in early 2014, the Secretary-General would submit a report with the outcome of the negotiations. The Assembly would then be invited, at the first part of its resumed sixty-eighth session, to decide whether to formally commit the United Nations. If it decided in the affirmative, the leases would be signed and the Development Corporation would issue public bonds. Construction of the building would be completed in mid-2017.

27. The report also presented three options concerning the South Annex Building and the Dag Hammarskjöld Library Building. The cost of the first option, renovation of the buildings, had been estimated at $65 million in the capital master plan budget. However, owing to a change in the security situation which had resulted in a need for blast resistance, renovation at a reasonable cost was no longer feasible. The second option, construction of replacement blast-resistant buildings, would cost several hundred million dollars, necessitating a significant additional assessment on Member States. The Secretary-General did not deem it prudent to invest such large sums for a library and cafeteria when other options were available. The third option, transferring the functions housed in those buildings to other locations, was included in the cost estimates of options 1 and 3 for the long-term accommodation strategy. It was also proposed that the temporary North Lawn Building, which had been built at a cost of over $140 million for use until the completion of the capital master plan in 2014, should be retained for use as swing space for a few more years until the long-term accommodation plans became clearer.

28. In planning the sequencing of construction projects, namely, the capital master plan, the long-term accommodation needs at Headquarters and the strategic heritage plan of the United Nations Office at Geneva, the Secretariat was guided by General Assembly resolution 66/247, which stated that no major construction project should begin until the capital master plan had been completed and that major capital expenditure projects should not be implemented simultaneously. Accordingly, following a decision by the Assembly at the current session, it was the Secretariat's intention to negotiate with the United Nations Development Corporation regarding the leasing option while also exploring the other three options and to submit a comprehensive report to the Assembly in early 2014.

29. The Assembly was invited to take the actions set out in paragraph 95 of the Secretary-General's report (A/67/720).

30. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/67/788), said that it was the Advisory Committee's view that, of the four options presented by the Secretary-General, option 3 — the DC-5 building — was preferable. However, the information provided in the Secretary-General's report was neither complete nor comprehensive and therefore the Advisory Committee was unable to conclude which option was the most viable at the present stage; consequently, all four options should be kept open for development and consideration. The Advisory Committee recommended that the Assembly should request the Secretary-General to explore options, including, but not limited to, those presented in the report on the expanded feasibility study, and to submit another report with comprehensive information.

31. The Advisory Committee did not object to the Assembly authorizing the Secretary-General to engage in negotiation with the United Nations Development Corporation in order to ensure that the proposed DC-5 building remained a viable option. However, it was of the view that the authority to negotiate, if granted, should refer to all options and should be without prejudice to any decision by the Assembly concerning the long-term office space needs at Headquarters.

32. The report discussed key factors affecting the estimation of office space needs, including population analysis; office space allowance and alternative workplace strategies; and appropriate levels of owned and leased space, which should be linked to the planning for the Organization's future. While there was merit in including the funds and programmes in the feasibility studies, the Advisory Committee was of the view that the baseline for calculating the core office space needs should include only Secretariat staff.

33. With respect to the Library and South Annex Buildings, the Advisory Committee considered that the Secretary-General had not proposed options on renovation, with financial implications, as requested by the Assembly in its resolution 67/246.

34. Recalling that the Assembly, in that resolution, had not approved the cost reduction related to the proposed deferred removal of the temporary North Lawn Building, he said that it was the Advisory Committee's view that the Secretary-General had not made a proposal that merited the Assembly's reconsideration of its decision not to delay the demolition of that building.

35. **Mr. Daunivalu** (Fiji), speaking on behalf of the Group of 77 and China, said that the Group reaffirmed its position that any proposal to accommodate space needs at Headquarters should be in conformity with the original design and should respect the historical architectural integrity of the United Nations complex. The expanded feasibility study did not provide a comprehensive analysis of the four options presented or a sound basis for the conclusion that option 3 was optimal. Moreover, the rationale for linking the extension of the DC-1 and DC-2 leases and the construction of the DC-5 building, as proposed by the United Nations Development Corporation, was questionable. It was astonishing that an entity established with the aim of assisting the United Nations with its office space and other real estate needs would adopt a position detrimental to the work of the Organization. He recalled the special role of the host Government and called on the Secretary-General to ensure that cooperation with the Development Corporation took the interests of the United Nations fully into account. More detailed information on the proposed options would be required for the Assembly to take an informed decision on how to proceed.

36. The renovation of the Library and South Annex Buildings was part of the capital master plan and should not be considered under the item concerning long-term accommodation needs. The information provided did not fully explain why the renovation had been suspended or make comprehensive proposals regarding the future of the buildings and the financial implications. He looked forward to receiving that information in the eleventh annual report on the capital master plan.

37. With respect to the temporary North Lawn Building, he recalled that the Assembly had given a clear mandate for its timely demolition and removal upon completion of the Headquarters renovation.

38. He also recalled that the Assembly, in its resolution 66/247, had instructed the Secretary-General to ensure that future major capital expenditure projects should not be implemented simultaneously in order to prevent the need to finance them at the same time.

39. **Mr. Van den Akker** (Observer for the European Union), speaking also on behalf of the acceding country Croatia; the candidate countries Iceland,

Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Bosnia and Herzegovina; and, in addition, Armenia, Georgia, the Republic of Moldova and Ukraine, said that the States members of the European Union would discuss in informal consultations the Secretary-General's request for authorization to enter into negotiations with the Development Corporation in order to ensure that the DC-5 building remained a viable option, as well as related issues, such as the implementation of flexible use of office space and flexible working arrangements; total space requirements; the inclusion of the funds and programmes in the feasibility studies; the need to respect the commemorative value of the Dag Hammarskjöld Library; and planning for major capital expenditure projects.

40. The Secretary-General's report (A/67/720) contained insufficient information to enable the Assembly to take a decision on future accommodation needs at the current part of the session; consequently, all possible options should be kept open until the Assembly received more details.

The meeting rose at 11.50 a.m.

United Nations A/C.5/67/SR.27 (A)

General Assembly
Sixty-seventh session

Official Records

Distr.: General
15 May 2013

Original: English

Fifth Committee

Summary record of the first part* of the 27th meeting
Held at Headquarters, New York, on Thursday, 28 March 2013, at 3 p.m.

Chair: Mr. Berger ..... (Germany)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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Progress towards an accountability system in the United Nations Secretariat

Questions deferred for future consideration

* The summary record of the second part of the meeting, held on Monday, 6 May 2013, appears as document A/C.5/67/SR.27/Add.1.

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13-27349 (E)

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The meeting was called to order at 3.30 p.m.

Statement by the Chef de Cabinet

1. **Ms. Malcorra** (Chef de Cabinet, Executive Office of the Secretary-General) said that the draft resolutions under consideration by the Committee, particularly the one on the accountability framework, were of significant value to the Organization. She welcomed the draft resolution that addressed the revised estimates of the cost of repairing the damage caused by storm Sandy, which would enable the Organization to protect its buildings against future disasters, as well as the Secretary-General's proposals for the management of official travel and the long-term accommodation needs at Headquarters.

2. With regard to the draft resolution on human resources management, the Secretary-General was committed to the proposed mobility policy and appreciated Member States' support, which would enable him to move forward with the proposals and implement some of the most critical reforms. She noted that the Committee would also take a decision on the pilot project for publishing audit reports of the Office of Internal Oversight Services. Lastly, she expressed the hope that the Committee would reach agreement on the deferred issues concerning operational matters as soon as possible.

Agenda item 130: Programme budget for the biennium 2012-2013 (*continued*)

Special subjects relating to the programme budget for the biennium 2012-2013 (A/C.5/67/L.23)

Draft resolution A/C.5/67/L.23: Special subjects relating to the programme budget for the biennium 2012-2013

3. *Draft resolution A/C.5/67/L.23 was adopted.*

Agenda item 135: Human resources management (*continued*) (A/C.5/67/L.29)

Draft resolution A/C.5/67/L.29: Human resources management

4. *Draft resolution A/C.5/67/L.29 was adopted.*

5. **Mr. Bayat Mokhtari** (Islamic Republic of Iran) said that his delegation had joined the consensus because it was important not to block an important area of United Nations reform; however, paragraph 71 of the draft resolution was not consistent with the spirit of international labour laws and standards and the Secretary-General's bulletin ST/SGB/2011/6 on the Staff-Management Committee should be updated accordingly. It was regrettable that the largest international organization continued to shy away from labour standards, to set a poor example and to leave itself open to legal challenges.

6. **Mr. Chumakov** (Russian Federation) said that, in order to avoid any misinterpretation, he wished to underline a number of fundamental aspects of the draft resolution, primarily with respect to mobility. Most importantly, under the terms of the draft resolution, the Secretary-General was requested to further refine the proposed mobility framework while taking into account key principles of United Nations human resources policy, particularly the principle of the equality of internal and external candidates at every stage of the selection and recruitment process. In practice, that meant that all vacancies in the Secretariat other than temporary ones must be open to external candidates.

7. In addition, the Assembly requested the Secretary-General to present an alternative proposal with revised incentives to promote mobility, which could also affect the scope of the framework. A high-quality report of the Secretary-General that included an alternative proposal with a voluntary approach to mobility, as called for by General Assembly resolution 63/250, would enable the Assembly to determine, at its sixty-eighth session, the optimal parameters of the mobility framework. He took it that proposals on changes to the staff selection and recruitment system which took into account the alternative mobility proposals would also be submitted at that session.

8. While the Assembly had not yet reached agreement on the issue of civilian capacity, paragraph 65 of the draft resolution was in line with his delegation's priorities in the matter, as it would ensure greater transparency in the use of Government-provided personnel in United Nations missions in the event that it was difficult to deploy United Nations staff.

9. At its sixty-eighth session, the Assembly should engage in a serious discussion of what the Secretariat should be in the twenty-first century and how it should be staffed and managed, with the aim of establishing a framework that would make for a flexible, nimble and transparent Secretariat open to outside expertise.

Agenda item 136: Joint Inspection Unit (*continued*) (A/C.5/67/L.24)

Draft resolution A/C.5/67/L.24: Joint Inspection Unit

10. *Draft resolution A/C.5/67/L.24 was adopted.*

Agenda item 137: United Nations common system (*continued*) (A/C.5/67/L.28)

Draft resolution A/C.5/67/L.28: United Nations common system

11. *Draft resolution A/C.5/67/L.28 was adopted.*

Agenda item 139: Administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency (*continued*) (A/C.5/67/L.27)

Draft decision A/C.5/67/L.27: Budgetary and financial situation of the organizations of the United Nations system

12. *Draft decision A/C.5/67/L.27 was adopted.*

Agenda item 140: Report on the activities of the Office of Internal Oversight Services (*continued*) (A/C.5/67/L.25)

Draft resolution A/C.5/67/L.25: Activities of the Office of Internal Oversight Services

13. *Draft resolution A/C.5/67/L.25 was adopted.*

Agenda item 144: Financing of the International Residual Mechanism for Criminal Tribunals (*continued*) (A/C.5/67/L.26)

Draft resolution A/C.5/67/L.26: International Residual Mechanism for Criminal Tribunals

14. *Draft resolution A/C.5/67/L.26 was adopted.*

Agenda item 129: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Progress towards an accountability system in the United Nations Secretariat (A/C.5/67/L.22)

Draft resolution A/C.5/67/L.22: Progress towards an accountability system in the United Nations Secretariat

15. *Draft resolution A/C.5/67/L.22 was adopted.*

The meeting was suspended at 3.50 p.m. and resumed at 6.05 p.m.

Questions deferred for future consideration (A/C.5/67/L.30)

Draft decision A/C.5/67/L.30: Questions deferred for future consideration

16. **Mr. Thomson** (Fiji), speaking on behalf of the Group of 77 and China, supported by **Mr. Ye** Xuenong (China), **Mr. Briens** (France), **Mr. Puri** (India), **Mr. Yamazaki** (Japan), **Mr. Al-Hussein** (Jordan), **Mr.** Ahmed **Khan** (Pakistan), **Mr. Williams** (United Kingdom) and **Mr. Lieberman** (United States of America), objected to the deferral of the Committee's consideration of the report of the Senior Advisory Group established pursuant to resolution 65/289 and requested that the Chair should suspend the meeting to allow informal negotiations to continue, as consensus on the issue of rates of reimbursement to troop-contributing countries was within reach.

17. **Mr. Chumakov** (Russian Federation) said that, for the sake of consistency, his delegation could not agree to continued discussion of the issue of reimbursement rates unless the deliberations on the question of civilian capacity — another of the matters deferred by the draft decision — were also extended.

18. **The Chair** said that, should the resumed session be extended without a decision on the deferral of agenda items, all the issues referred to in the draft decision would be open to further negotiation. If the Committee members wished to suspend the meeting to allow informal negotiations to continue, he would be guided accordingly. However, he suggested that the current meeting should be adjourned and that the Committee should reconvene the following week, so that delegations would have sufficient time to examine any draft resolution that might be produced and consult with their capitals, in accordance with the Committee's principles of transparency and consensus-based decision-making.

19. **Mr. Puri** (India), supported by **Mr. dos Santos** (Brazil) and **Mr. Al-Hussein** (Jordan), said that, while the Chair's pragmatic solution was welcome, it was important that a decision should be taken by 31 March 2013, when the supplemental payment to troop-contributing countries approved by the Assembly in its resolution 66/264 would expire. For that reason, he asked that informal negotiations should be allowed to continue with a view to resuming the meeting promptly when a consensus had been reached.

The meeting was suspended at 6.30 p.m.

United Nations A/C.5/67/SR.27 (B)

General Assembly
Sixty-seventh session

Official Records

Distr.: General
30 May 2013

Original: English

Fifth Committee

Summary record of the second part* of the 27th meeting
Reconvened at Headquarters, New York, on Monday, 6 May 2013, at 10 a.m.

Chair: Mr. Berger ..... (Germany)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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Questions deferred for future consideration (*continued*)

Completion of the work of the Fifth Committee at the first part of the resumed sixty-seventh session of the General Assembly

* The summary record of the first part of the meeting, held on Thursday, 28 March 2013, at 3 p.m., appears as document A/C.5/67/SR.27.

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13-32418 (E)

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The meeting was reconvened at 10.20 a.m. on 6 May 2013.

Agenda item 130: Programme budget for the biennium 2012-2013 (*continued*)

Special subjects relating to the programme budget for the biennium 2012-2013 (*continued*) (A/C.5/67/L.31)

Draft resolution A/C.5/67/L.31: Special subjects relating to the programme budget for the biennium 2012-2013

1. *Draft resolution A/C.5/67/L.31 was adopted.*

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/C.5/67/L.33)

Draft resolution A/C.5/67/L.33: Report of the Senior Advisory Group established pursuant to General Assembly resolution 65/289 to consider rates of reimbursement to troop-contributing countries and other related issues

2. **The Chair** invited the Committee to consider the draft resolution contained in document A/C.5/67/L.33 on the report of the Senior Advisory Group established pursuant to General Assembly resolution 65/289 to consider rates of reimbursement to troop-contributing countries and other related issues.

3. **Ms. Haq** (Under-Secretary-General for Field Support), outlining how the Secretariat would implement paragraphs 9 to 12 of the draft resolution, if adopted, said that a memorandum of understanding was a negotiated, formal agreement between the United Nations and a troop- or police-contributing country that established the responsibility and standards for the provision of personnel, major equipment and self-sustainment support services. Signed by representatives of the Department of Field Support and the country's Permanent Mission to the United Nations, it could cover the deployment of a person, unit, company or battalion and remained in force until the end of the mandate of the peacekeeping operation.

4. Paragraph 9 of the draft resolution provided that each deployed unit might operate under a separate memorandum of understanding if so requested by the troop-contributing country, while paragraph 10 stated that contingent-owned equipment and its impact on the ability of the unit to perform its duties should be evaluated on the basis of the unit. Should the draft resolution be adopted, each memorandum of understanding could be reviewed, at the request of the troop-contributing country, in order to ensure that the unit-level equipment requirements specified in each memorandum of understanding were in line with current operational requirements. The memorandum of understanding could be updated, if required, for a specific transport or medical unit, infantry battalion or formed police unit.

5. Under paragraph 11, no deduction would be applied before 31 October 2013, in order to give troop-contributing countries time to ensure that their memorandums of understanding were technically in line with current force requirements and the operational circumstances of each mission. Should the draft resolution be adopted, the Department of Field Support would, in consultation with the Office of Military Affairs and the Police Division, work with troop-contributing countries to review the memorandums of understanding to ensure that they reflected any changes in the amount or type of equipment required, based on the current force requirements and operational circumstances of each mission. To compensate for the differences in operating conditions in different mission areas, the standard reimbursement rates for major equipment would be adjusted to take into account such conditions as harsh terrain and climate, road conditions, length of logistics chains, size of area of operations and the hostility of the environment.

6. The contingent-owned equipment inspection and verification process would be initiated within 30 days of deployment to the mission area with an arrival inspection to confirm that the equipment deployed met the agreed requirements and was serviceable. Thereafter, the mission's contingent-owned equipment unit would conduct quarterly physical inspections of the equipment; quarterly verification reports would be signed by contingent or police commanders of the troop-contributing country concerned. Inspections would occur periodically throughout the quarter, at a time agreed in advance with contingents; contingent personnel would accompany the inspectors and assist them in preparing the inspection report, which would note any unresolved differences of opinion regarding the absence or non-functionality of equipment. Each mission's Contingent-Owned Equipment/Memorandum of Understanding Management Review Board, composed of senior officials of the mission's support, military and police components and the contingent commanders, would serve as an additional review mechanism. The

process would be consultative and the principle of reasonability would be applied.

7. The verification process set out in paragraph 11 of the draft resolution would ensure that any major equipment that was absent or non-functional for reasons beyond the control of the troop-contributing country would be reflected in the verification report and such equipment would be excluded from the determination of any deductions for that quarter. The verification reports would be forwarded to the Department of Field Support for review and processing. Upon certifying a verification report, the Secretariat would immediately notify the relevant troop-contributing country of any absent or non-functional equipment reports and it would have three months to address the shortfall. If, after a second quarterly period, a discrepancy remained between the major equipment specified in the memorandum of understanding and the equipment verified in the inspection report, a deduction would be applied to the personnel reimbursement for that unit. When notifying the troop-contributing country of payment, the Department of Field Support would provide a full description and explanation of any deduction based on the contingent-owned equipment verification and certification reports of the two prior consecutive quarters.

8. A 90-per-cent rule would be applied whereby troop-contributing countries would be reimbursed for 100 per cent of the vehicles specified in the memorandum of understanding, provided that 90 per cent of the combat vehicles were present. The rule would be extended to cover non-functional and absent vehicles; thus, no deduction to troop reimbursements would be made unless more than 10 per cent of the vehicles were certified as absent or non-functional. Moreover, no deduction above 35 per cent would be made from troop reimbursements in respect of any two consecutive unsatisfactory quarterly contingent-owned equipment verification reports.

9. The Department of Field Support stood ready to work with troop-contributing countries to update memorandums of understanding before 31 October 2013, and upon request would provide details on the status of the equipment specified in the memorandum of understanding and the potential impact of the implementation of the draft resolution.

10. *Draft resolution A/C.5/67/L.33 was adopted.*

11. **Mr. Navoti** (Fiji), speaking on behalf of the Group of 77 and China, said that the Group welcomed the adoption of the draft resolution as the outcome of passionate and arduous negotiations on issues that were integral to the future of United Nations peacekeeping. However, it had strong reservations about the Senior Advisory Group's recommendation that the condition and status of contingent-owned equipment should be linked to the rate of reimbursement to troop-contributing countries. The draft resolution was a compromise that had been reached in order to resolve the long-standing impasse on the issue of reimbursement rates and the broader reform of the reimbursement process. However, that compromise should not form the legal basis for linking the two issues, something the Group of 77 and China did not accept.

12. Despite its reservations, the Group had supported the adoption of the draft resolution in a spirit of compromise and in an effort to allow peacekeeping reform to move forward, on the basis of the interpretation of the implementation methodology outlined by the Under-Secretary-General for Field Support.

13. **Mr. Mayr-Harting** (Observer for the European Union) said that the adoption of the draft resolution was an important step towards renewing the partnership on peacekeeping. The States members of the European Union not only made significant financial contributions to United Nations peacekeeping operations, but also supported and participated in them by providing uniformed personnel and other capabilities. The draft resolution reflected a balanced agreement whose implementation would be in the best interests of all Member States and of United Nations peacekeeping.

14. **Mr. Torsella** (United States of America) recalled that the Committee had requested the Senior Advisory Group to resolve a contentious issue after troop-contributing countries had noted that reimbursement rates had not been adjusted in a decade, while the major financial contributors had pointed out that, without an empirical basis, an increase in rates would be arbitrary and indefensible in the eyes of taxpayers. The new review mechanism was an attempt to resolve that conundrum. The Senior Advisory Group's recommendations had represented a compromise reached after long discussion, analysis and negotiation. The draft resolution adopted by the Committee was a further compromise, but it would provide the Organization with a balanced set of tools that would continuously improve peacekeeping. In addition to

providing a framework to determine rates of reimbursement, the Senior Advisory Group had recognized that many United Nations peacekeepers acquitted themselves well, despite exceptional levels of risk, and operated without caveats or restrictions; the draft resolution authorized the Secretary-General to recognize the effectiveness of those exceptional men and women by paying them a premium.

15. In order to meet the evolving challenges of increasingly complex and difficult peacekeeping operations, the draft resolution also provided for incentives to improve operational readiness by authorizing the Secretary-General to pay a premium to troop-contributing countries that provided key enabling capabilities. In addition, a new standard rotation period had been established to provide greater continuity on the ground and to conserve scarce resources, while incentives had been created to ensure that troops were fully equipped with the tools they would need to implement their mandates.

16. The draft resolution would help revitalize the global peacekeeping partnership; however, much remained to be done to meet the challenges ahead. Member States had a responsibility to the peoples of countries emerging from conflict, to the peacekeepers who served in missions and to their own citizens, who supported United Nations peacekeeping operations. They should therefore continue working together to improve peacekeeping operations.

17. **Mr. Puri** (India) welcomed the adoption of the draft resolution and the spirit of compromise that had characterized the negotiations, which had demonstrated that when the Member States had the will to resolve an issue they always found a way to do so.

18. **Mr. Dosseh** (Togo) said that the issue of reimbursement rates was of crucial importance, as it concerned the men and women who served around the world, often in very difficult conditions, to preserve peace and international security. While the Senior Advisory Group's report (A/C.5/67/10) had been a step forward, some of its recommendations had been problematic, particularly the one on reductions to reimbursement rates for absent or non-functional equipment. He wondered how contingents could be expected to improve their performance if their resources, already under strain, were cut further owing to that unfair measure. His delegation was convinced that there were more appropriate means of addressing the problem; however, alternative proposals had been met with intransigence, motivated by some delegations' desire to make savings rather than to tackle the root of the problem. It was regrettable that the Committee had endorsed, without due consideration, all of the Group's recommendations, leading to the unsatisfactory resolution adopted by the Committee.

19. Furthermore, a number of issues remained unresolved, such as the delay in paying troop-contributing countries amounts owing for equipment. It was counterproductive to demand that those countries should correct any equipment deficiencies or face sanctions, while at the same time depriving them of the resources they needed to meet their contractual obligations. Troop-contributing countries might consider asking the United Nations to pay interest on arrears to offset that measure. Similarly, it was unclear whether financial sanctions could be suspended until differences of opinion on quarterly verification reports had been fully resolved and what remedies would be available to troop-contributing countries to defend their interests. His delegation was of the view that the Committee had missed an opportunity to find a sustainable and efficient solution to the problem of absent or non-functional equipment.

20. Lastly, he urged the Committee to make efforts to manage its time properly. Prevailing upon others to use the Organization's resources effectively would be futile if the Committee itself failed to set an example.

21. **Mr. Aiki** (Japan) said that the draft resolution would lead to fairer reimbursement rates and more sustainable and efficient operations. As some of the Senior Advisory Group's recommendations were time-bound, it was to be hoped that the Secretariat would implement them in a timely manner and that the new reimbursement system outlined by the Group would be submitted to the Assembly for approval within a year.

Agenda item 129: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Questions deferred for future consideration (*continued*) (A/C.5/67/L.30)

Draft decision A/C.5/67/L.30: Questions deferred for future consideration

22. **Ms. Van Buerle** (Secretary of the Committee) said that, in the light of the adoption of draft resolution

A/C.5/67/L.33, the language concerning the deferral of consideration of the related documents should be deleted from the draft decision on questions deferred for future consideration.

23. *Draft decision A/C.5/67/L.30, as orally amended, was adopted.*

24. **The Chair** declared that the Fifth Committee had completed its work at the first part of the resumed sixty-seventh session of the General Assembly.

The meeting rose at 11.05 a.m.